

STATE OF IOWA
PROPERTY ASSESSMENT APPEAL BOARD

Kolar Properties, LLC, Appellant, v. Black Hawk County Board of Review, Appellee.	ORDER Docket No. 13-07-0899 Parcel No. 8914-13-131-003
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On December 26, 2013, the above-captioned appeal came on for consideration before the Iowa Property Assessment Appeal Board. The appeal was conducted under Iowa Code section 441.37A(2)(a-b) and Iowa Administrative Code rules 701-71.21(1) et al. Appellant Kolar Properties, LLC was represented by Stephen S. Kolar and requested a written consideration. Assistant County Attorney David Mason represented the Board of Review. The Appeal Board now, having examined the entire record and being fully advised, finds:

Findings of Fact

Kolar Properties, LLC is the owner of property located at 1303 Clay Street, Cedar Falls, Iowa. The real estate was classified residential on the January 1, 2013, assessment and valued at \$120,170, allocated as \$21,020 in land value and \$99,150 in improvement value. Kolar Properties protested to the Board of Review by filling out the grounds for an equity claim and a downward change in value claim on the protest form. However, it also stated on the protest form that “the property is currently undervalued.” Based on this, it appears Kolar Properties’ intended claim is that the property was not assessed at its market value under Iowa Code section 441.37(1)(a)(2). It did not state what it believed

was the correct valuation of the subject property. The Board of Review denied the protest. Kolar Properties then appealed to this Board reasserting its claim.

The property record card indicates the subject is a one-and-one-half-story, frame home built in 1880. It has 1516 square feet of above-grade living area and a full, unfinished basement. The property record card lists the dwelling in normal condition with a sub-standard (5+10) quality grade. Additional features include an 880 square-foot detached garage in below normal condition built in 1980; a covered deck and an open porch. The site is 0.20 acres.

Kolar Properties submitted twenty-one interior and exterior photos of the subject property and states on the Board of Review protest form that “improvements have been made to this property over the years.” Further, Kolar Properties requested the Assessor’s Office inspect the interior of the property.

On the appeal to this Board, Kolar Properties again asserts the subject is not assessed at market value and claims the correct fair market value is \$175,000, allocated \$25,000 in land value and \$150,000 in improvement value.

On its Notice of Appeal, Kolar Properties states the Black Hawk County Assessor’s Office has not inspected the subject since its purchase twelve years ago. Additionally, it claims the subject has five conforming bedrooms and one-and-three-quarter bath areas compared to the three bedrooms and one bath noted on the property record card. Lastly, Kolar Properties notes the subject rents for \$1100 to \$1250 per month. Ultimately, however, it did not provide any evidence of the property’s fair market value as of January 1, 2013.

Black Hawk County Assessor Tami McFarland provided a written statement to this Board dated December 11, 2013. McFarland explained that there has been only one permit taken out on the property since 2002. This permit was for heating/cooling and would not have caused the assessor to visit the property. We note that a property owner can request an inspection at any time. There is no

supporting evidence that Kolar Properties requested an inspection from the Assessor's Office since it purchased the property, until May 2013. McFarland further explained, as result of this petition, an inspection occurred on July 8, 2013. Because of that inspection, there will be a condition change to the entire dwelling as well as the addition of basement finish and plumbing fixtures. The January 1, 2014, assessment will reflect these changes and will tentatively result in an assessed value at that time of \$129,510.

Conclusion of Law

The Appeal Board applied the following law.

The Appeal Board has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A (2011). This Board is an agency and the provisions of the Administrative Procedure Act apply to it. Iowa Code § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). The Appeal Board determines anew all questions arising before the Board of Review related to the liability of the property to assessment or the assessed amount. § 441.37A(3)(a). The Appeal Board considers only those grounds presented to or considered by the Board of Review. § 441.37A(1)(b). But new or additional evidence may be introduced. *Id.* The Appeal Board considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); *see also Hy-vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption that the assessed value is correct. § 441.37A(3)(a).

In Iowa, property is to be valued at its actual value. Iowa Code § 441.21(1)(a). Actual value is the property's fair and reasonable market value. § 441.21(1)(b). "Market value" essentially is defined as the value established in an arm's-length sale of the property. *Id.* Sale prices of the property or comparable properties in normal transactions are to be considered in arriving at market value. *Id.* If sales are not available, "other factors" may be considered in arriving at market value. § 441.21(2). We

note the overarching purpose of assessment is to ascertain the fair market value of a property and assess it at 100% of that value. § 441.21(1).

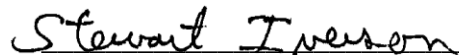
Kolar Properties asserts the subject property is undervalued and its correct value is \$175,000. However, it provides no evidence of the property's fair market value, such as an appraisal or sales of similar properties. Although it stated the subject rents from \$1100 to \$1250 per month, Kolar Properties did not attempt to value the property using the income approach or any other valuation method to support its claim. Without some evidence of the property's correct fair market value, we cannot conclude that the subject is undervalued. *See Boekeloo v. Bd. of Review of the City of Clinton*, 529 N.W.2d 275, 277 (Iowa 1995) (requiring evidence of the property's correct value).

THE APPEAL BOARD ORDERS the 2013 assessment of Kolar Properties, LLC's property located at 1303 Clay Street, Cedar Falls, Iowa, as set by Black Hawk County Board of Review is affirmed.

Dated this 29th day of January, 2014.



Karen Oberman, Presiding Officer



Stewart Iverson, Board Chair



Jacqueline Rypma, Board Member

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